

FISCAL NOTE

SB 1748 - HB 1645

March 28, 2007

SUMMARY OF BILL: Requires sole proprietors and partners in the construction industry to carry workers' compensation insurance on themselves.

ESTIMATED FISCAL IMPACT:

Increase State Revenues –

\$200,000/General Fund

**\$20,000/Earmarked to administer the provisions of the
*Tennessee Occupational Safety and Health Act***

Increase State Expenditures – Not Significant

Assumptions:

- An increase in the number of persons obtaining workers' compensation insurance will increase the total amount of premiums paid and a result will increase the amount of premium taxes collected.
- Approximately 10,000 additional persons will obtain coverage at an average rate of \$500 per year.
- An increase in state revenues from the collection of premium taxes. The workers' compensation rate is 4% plus a .4% surcharge. Premium taxes collected from the surcharge will be earmarked to administer the provisions of the *Tennessee Occupational Safety and Health Act* in accordance with TCA 56-4-206.
- Any increase in state expenditures to implement the provisions of this bill will be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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